

# MEDIA RELEASE

► RHEINMETALL AG

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## Q1 financial report

### Rheinmetall: profitable growth and full order books – naval business successfully integrated

- Consolidated sales increase by 8% in the first three months to €1.9 billion – significant growth acceleration expected in the second quarter
- Consolidated operating result climbs from €191 million to €224 million, growth of 17% – operating result margin of 11.6% at Group level
- Rheinmetall Nomination down compared to the previous year at €4.9 billion – strong prior-year quarter characterised by several multi-billion orders
- Growing order backlog: Rheinmetall Backlog reaches €73 billion – Naval Systems included for the first time with an order backlog of €5.5 billion
- Operating free cash flow at €-285 million – same quarter of the previous year was characterized by high advance payments from customers, as well as an increase in inventory and the resulting higher working capital tied up, in order to achieve the targeted revenue growth for fiscal year 2026
- Guidance for 2026 reaffirmed

Rheinmetall AG, Düsseldorf, made a successful start to the current fiscal year with a further increase in sales and even higher growth in earnings. In the first three months of the 2026 fiscal year, the Group further expanded its business volume, boosted profitability and, with the first-time consolidation of the Naval Systems segment, extended its product portfolio to the maritime domain.

The technology group's order books remain at record levels. With the integration of the new Naval Systems segment, the company took on existing projects worth €5.5 billion, which support expectations for the full year.

The security policy situation and significantly increasing defence budgets in numerous countries ensure demand in the military business. As a systems provider for security and defence technology, Rheinmetall operates in the segments Vehicle Systems, Weapon and Ammunition, Air Defence, Digital Systems and, most recently, Naval Systems. Germany and Ukraine, as well as the partner countries of the EU and NATO, remain the core markets.

Due to the current market situation, the continued very good order situation and the expected business development in the current 2026 fiscal year, the Group management reaffirms the current annual guidance for expected sales growth and the operating result margin in the Group.

With the successful completion of the strategic acquisition of NVL in the first quarter of 2026, Rheinmetall has created a German full-service provider for all branches of the armed forces. In the maritime business unit, Rheinmetall now covers the whole spectrum from the development and manufacture of unmanned naval vehicles to the construction of corvettes and frigates.

### ► Key facts

- ▷ Consolidated sales reach €1.9 billion – growth of 8% year on year
- ▷ Rheinmetall Nomination at €4.9 billion
- ▷ Rheinmetall Backlog at €73 billion
- ▷ Consolidated operating result increases by 17% or €224 million
- ▷ Operating result margin at 11.6%
- ▷ Guidance for 2026 reaffirmed

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Armin Papperger, CEO of Rheinmetall AG, on the company's performance: "We have further improved on the very successful prior-year quarter. For the second quarter of 2026 in particular, we expect stronger growth in sales and order intake, with large-volume orders in the naval business and in the vehicles business."

Armin Papperger: "The planned expansion of our capacity utilisation will enable us to continue increasing our profitability. With the successful acquisition of Naval Systems, we have entered a new market segment where we are also generating profitable growth. I am very happy with the status of the integration. Workers at our shipyards have impressive shipbuilding expertise and are highly motivated. I am convinced that we will be successful in the new set-up and fulfil major orders to the satisfaction of our customers. We have big plans in this area."

"Overall, we are well on course to achieve our ambitious annual targets. We have also established a strong position in the drone sector and, a few days ago, won a strategically significant order for loitering munitions, which has considerable potential. We are now a significant player in all key areas – on land, at sea, in the air, in the cyber sector and in space – and thus on our way to becoming a global defence champion," says Armin Papperger.

### **Rheinmetall Group: sales growth of 8% – consolidated operating result up 17%**

In the first quarter of 2026, consolidated sales climbed by €138 million or 8% year on year to €1,938 million (previous year: €1,800 million). The first quarter of the previous year had been boosted by significant pull-forward effects from the second quarter of 2025. In the current financial year, a significant growth acceleration is expected in the second quarter. The international share amounts to 63%.

The operating result showed disproportional growth in the first three months of the 2026 fiscal year, reaching €224 million and exceeding the previous year's figure of €191 million by €33 million or 17%. The operating result margin at Group level also increased further, reaching 11.6% after 10.6% in the previous year (Q1 2025).

In the first three months of the 2026 fiscal year, earnings per share from continuing operations improved from €1.78 in the same period of the previous year to €2.18.

Operating free cash flow from continuing operations fell significantly by €-527 million to €-285 million compared with €243 million in the same period of the previous year. The corresponding quarter of the previous year was characterised by high advance payments from customers. Furthermore, this trend is attributable to the build-up of inventories and the associated increase in working capital tied up in support of the targeted revenue growth for the 2026 financial year.

At €4.9 billion (previous year: €10.7 billion), the value of Rheinmetall Nomination was 55% lower than in the very strong prior-year quarter, which was characterised by several major orders. Rheinmetall Nomination comprises both traditional order intake and the volume of new framework agreements.

Rheinmetall Backlog increased to €73 billion as of 31 March 2026 (previous year: €56 billion). For the first time, Rheinmetall Backlog includes Naval Systems with an order backlog of €5.5 billion. In addition to the order backlog, Rheinmetall Backlog also includes the call-offs expected from existing framework agreements.

### **Vehicle Systems: Rheinmetall Backlog rises significantly**

After three months of the 2026 fiscal year, sales in Vehicle Systems, which primarily operates in wheeled and tracked military vehicles, totalled €985 million, up by €32 million or 3% from the previous year's figure. Business performance was essentially characterised by the delivery of infantry fighting vehicles to European and international customers, the parallel ramp-up of tactical vehicle programmes for Germany, and an increase in service activities. Growth was somewhat dampened by

the advance production of military trucks for which call-offs were not yet made – the call-offs are expected in the following quarters.

After the first quarter of the 2026 fiscal year, the segment's Rheinmetall Nomination increased by €1,770 million compared with the previous year to €2,236 million. This was primarily due to the expansion of the German customer contract for the Puma infantry fighting vehicle, of which an additional 200 units were ordered in a second batch at the end of 2025, with the subcontract awarded to Vehicle Systems in the first quarter of 2026.

The segment's Rheinmetall Backlog amounted to €25,852 million (31 March 2026), significantly up on the previous year's figure by €5,148 million or 25%. The operating result improved from €81 million to €94 million. At 9.6%, the operating margin is higher than the previous year's figure of 8.5%.

#### **Weapon and Ammunition: Rheinmetall Nomination significantly above previous year's figure**

In the first three months of 2026, Weapon and Ammunition's activities in weapon systems, ammunition and protection systems generated sales of €601 million, reaching a high level once again (+65.5%) after significant sales growth in the same quarter of the previous year (previous year: €599 million). The main sales drivers were an ammunition package for Hungary and artillery ammunition for Ukraine.

At €1,806 million after the first three months of the 2026 fiscal year, Rheinmetall Nomination is significantly higher than the previous year's figure (previous year: €826 million). Significant incoming orders relate to tank ammunition for Poland and Lithuania, new framework agreements for various types of ammunition with the Netherlands, and mobile medical facilities for Germany.

Rheinmetall Backlog amounted to €25,757 million as of 31 March 2026. Compared with the previous year's figure (31 March 2025: €20,882 million), this represents growth of €4,875 million or 23%.

At the end of the first three months of 2026, the operating result was level with the previous year at €117 million (previous year: €116 million). Despite higher personnel and material costs, the operating margin remained at the previous year's level at 19%.

This year, the division's business activities were once again accompanied by extensive investments totalling €71 million. The focus was on transformation and capacity expansion projects in several companies, especially expansions of capacity for powder production at Nitrochemie with its Aschau and Wimmis sites and propellants production at Rheinmetall Expal Munitions in Spain.

#### **Air Defence: sales and Rheinmetall Backlog increase significantly**

Air Defence, with products in ground-based air defence and complex systems including drone defence, increased its sales by €57 million to €192 million after three months of the 2026 fiscal year (previous year: €135 million); this equates to growth of 43%. The considerable sales growth is essentially due to the progress in additional Skynex and Skyranger air defence systems projects for European customers.

Rheinmetall Nomination increased by €18 million or 12% year on year to €168 million. Major individual orders related to the delivery and service level agreements for air defence systems for European customers. Rheinmetall Backlog amounted to €3,141 million as of 31 March 2026, a significant year-on-year increase of 32% (previous year: €2,378 million).

The operating result improved significantly to €30 million by the end of the first three months of 2026 after €17 million in the previous year. This was mainly driven by the significant increase in sales volume. The operating result margin improved to 15.6% (previous year: 12.5%).

### **Digital Systems: operating result and Rheinmetall Backlog improve significantly**

Digital Systems, with products in the digitalisation of armed forces, infantry equipment, aviation systems and simulation, increased its sales by €48 million to €349 million after three months of the 2026 fiscal year (previous year: €301 million); this equates to growth of 16%. The sales growth is essentially due to the TaWAN digitalisation project and blackned's first full contribution to turnover.

Rheinmetall Nomination amounted to €814 million, which is a significant decline of €8,728 million or 92% compared with the same period of the previous year. The previous year's quarter was characterised by major orders worth billions, namely large orders under the framework agreements for the TaWAN digitalisation programme and the supplementary procurement of IdZ-ES soldier systems. In the first quarter of the 2026 fiscal year, Digital Systems received an order to supply unmanned turret systems for reconnaissance vehicles to the German customer. Rheinmetall Backlog amounted to €17,221 million as of 31 March 2026, a significant year-on-year increase of 16% (previous year: €14,872 million).

The operating result improved significantly to €18 million by the end of the first three months of 2026 after €10 million in the previous year. The operating result margin therefore improved to 5.2% (previous year: 3.3%).

### **Naval Systems: one month's contribution following the transfer at the end of February**

Naval Systems, well-established provider for maritime solutions in surface vessel shipbuilding, reports as a Rheinmetall segment for the first time as of the end of the first quarter of 2026. Due to the initial consolidation at the end of February 2026, the quarterly figures only include one month of operations. Following the initial consolidation, existing contracts were included in the Rheinmetall backlog, accounting for Naval Systems to EUR 5.5 billion as at 31 March 2026.

In March 2026, Naval Systems generated sales of €77 million. Sales were primarily generated by the ongoing new-build ship programmes. The German fleet service vessel (FDB424) and the Bulgarian Multi-Purpose Modular Patrol Vessel (MMPV 90) made significant contributions to this. In the repair and refit business, service sales of €20 million were generated, largely driven by the ongoing repair contract for the frigate "Rheinland-Pfalz".

The operating result totalled €8 million. The operating result margin was 10.1%.

### **Outlook: annual guidance reaffirmed**

After the first three months of the 2026 fiscal year, Rheinmetall reaffirms its sales and earnings guidance for 2026 as a whole based on the expected business development up to the end of the year, with an increase in consolidated sales to between €14.0 billion and €14.5 billion (previous year's sales: €9,935 million). Based on this sales guidance, Rheinmetall expects the Group, including acquisitions, to improve its operating result in the current 2026 fiscal year – taking holding costs into account – and to achieve an operating result margin of around 19% (operating result margin in the 2024 fiscal year: 18.5%).

### **Forward-looking statements and guidance**

*This press release contains forward-looking statements. These statements are based on Rheinmetall AG's current estimates and guidance and the information available at the time. Forward-looking statements are not a guarantee of future performance or the results indicated. Rather, they are dependent on a number of factors, entail various risks and uncertainties, and are based on assumptions that may prove to be incorrect. Rheinmetall is under no obligation to update the forward-looking statements in this press release.*